Take Stock in Austin
Summer 2000
Issue No. 1 Newsletter
Lynne Skinner, Editor

Blazing fast Agere. First AEF fund to liquidate! All the details from CEO Ford Tamer.

Austin Companies Commit Stock Options. See who has risen to the challenge.

Share Wealth by Giving Shares. By William Bock, Chairman of Austin Entrepreneurs Foundation.

It is our mission to encourage and facilitate a culture of stakeholding between the entrepreneurial and non-profit communities in Central Texas.

mindshare

"The Price of Greatness is Responsibility..."

We've always known it. It took the national press a couple of decades to figure it out. Now the world is in on our little secret... Austin, Texas is a great place to live, work and raise our families.

And with greatness comes responsibility – to preserve, protect, share and continue to build on the attributes that made this a 'great' place to begin with. Most of us recognize that, in order to ensure everyone in our community has a chance to benefit from our collective progress, we must put our heads together and talents to work in a way that is inclusive and enlightened. A chain is only as strong as its weakest link -- we're all in this together.

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That's why we feel like our news is everyone's news. As the Austin Entrepreneurs Foundation mission progresses, and as our culture of stakeholding becomes more established in Austin, we hope that our news and milestones serve as a beacon to those entrepreneurs who want to make a difference. Our intention with this newsletter is to keep the energy flowing, the dialogue fresh, and the community informed in a non-intrusive manner. We especially hope that through testimonials and examples, we may inspire and support people and companies to become more active stakeholders in our hometown.

We are excited about the momentum we have – and from the response we've had to our early solicitation of funding and stock option donations – we're not alone. It's an encouraging sign, and one that reflects on the 'can do' spirit of our city. In only nine months, the AEF has garnered $1 million in support to fund operations of the Foundation, and has had 60 companies become 'members' through their stock option grants to the Foundation. But our work is just beginning.

We hope that you enjoy the news and features in our first edition of MindShare. This is your newsletter, too.

If you would like to:

- contribute ideas, relate stories or provide comments and suggestions;
- add more people to the mailing list for this publication; or
- receive multiple copies of this publication (Available to Underwriter or Member companies), then,

Please send your request to: info@takestock.org

The more people we engage in this journey – this mission of stakeholding – the better chance we have of keeping Austin a world-class city by all measures.

Two Member Companies Make their Moves in the First Quarter of 2000

John Thornton, General Partner at Austin Ventures and founding board member of the AEF, loves to tell the story that never happened. The one where the AEF would have been started a year earlier, and Vignette would have been the first member – donating, let's say, 20,000 shares of stock. Upon exercising those options, Vignette decided to build...hmmm...a new shelter for the homeless? Sounds great – but like Thornton likes to point out – the vehicle wasn't in place to make this happen.

Before Vignette could even issue its first quarterly report as a public company, Thornton was on the phone raising cash to launch the AEF (some of which came from Greg Peters at Vignette). He wasn't going to stand by and let the next one 'get away.'

And it didn't.

At a December board meeting, CFO John McGovern and CEO Nav Sooch placed an item on the board agenda that would ask that directors of Silicon Labs approve 20,000 shares of stock be granted to the AEF. Just weeks later, directors at Austin-based Agere also passed a board resolution – granting 5,000 shares to the Foundation.

The wait wasn't long. Less than one year after Vignette's public offering – the one that got away – Agere was acquired in February by Lucent Technologies for $415 million in Lucent stock and the AEF had it's first liquidity event.

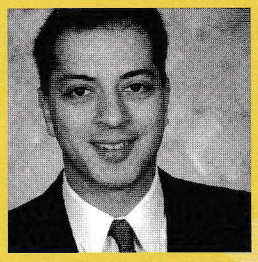
Weeks later, on March 24, Silicon Labs wowed The Street (and those holding stock) with the largest IPO in semiconductor history.

And the Austin Entrepreneurs Foundation was officially off and running.

Austin City Council Proclaims March 2nd "Austin Interdependence Day," and Recognizes the AEF and 360 Summit

Austin Interdependence Day: a call on all citizens to recognize that many of the region's technology leaders signed a Declaration of Interdependence at the 360 Summit advocating an Austin that embraces innovation to create and enhance economic success and opportunity for all its citizens, while preserving a positive lifestyle for the entire community. Through this call to action these leaders have encouraged the formation of the Austin Entrepreneurs Foundation, which is fostering a positive and mutually beneficial relationship between entrepreneurial companies and the community at large through a stock option grant program for non-profit organizations. I call on all citizens to recognize that through interdependence we can enjoy prosperity and quality of life in Austin.

Mayor Kirk Watson – March 2, 2000



Spotlight on Agere!

On June 15, 2000, I had the honor of presenting checks totaling over $125,000 to three great Austin organizations: the Capital Area Food Bank, which distributes millions of pounds of food each year to human service agencies in Central Texas; Girlstart, a technology center for educating and empowering girls in technology; and Safeplace, a shelter for families who are victims of domestic violence.

I was also honored because my company, Agere, was the first company whose pledge of stock to the Austin Entrepreneurs Foundation (AEF) became a cash donation. I hope we are the first of a long line of successful startups who keep Austin a great place by giving stock through the AEF.

Giving back to the community via the AEF is an ideal way for a start-up company to establish it's corporate culture early in its life. And from a business point of view, the Austin Entrepreneurs Foundation and Agere were a perfect fit for each other. The AEF provided Agere with a vehicle for getting involved with the community without taking cash out of our business operations during our critical growing phase. By giving stock, Agere was able to make a sizable contribution to three great Austin organizations.

If I could offer one piece of advice to my fellow entrepreneurs, it would be to start thinking about your company's philanthropic strategy today for maximum benefit. Giving stock should be done as early as possible in the company's life for two reasons: it enhances your ability to give more and allows your donation to have a greater impact on the corporate culture.

As a general rule, the earlier you donate, the more you can give. In our case, we were not aware of the AEF until we were in the process of a second round of financing. Most of our shares were already designated for new employees, so we were not able to give as much as we might have otherwise. By giving early, you will be able to pledge more shares and have a greater impact on the recipient organizations.

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Second, and more importantly, the earlier you make your stock pledge, the earlier charitable giving becomes a part of your culture. New and prospective employees can see by your actions that while it may not be the right time to give cash, the company is concerned about the community and is already engaged.

Who do you give the money to? That is one of the best things about the AEF – they facilitate your philanthropy without detracting from your ability to choose who benefits from your gift. You are free to choose the organizations your money goes to. In fact, at Agere, we made sure that our process for selecting the charities reflected our corporate culture.

At Agere, we have a very team-oriented environment, and we felt that this decision was so important, we wanted the whole company involved. We started by soliciting nominations from throughout the company, and then held a series of company meetings and votes to learn more about the organizations and narrow our choices. It was a long selection process, but I think it was critical to get people involved. Everyone had a voice in where the money went.

And in the process, I saw firsthand how important community involvement is to our employees. I was amazed by their level of social concern, and was awestruck by the broad range of organizations they are supporting through their own donations of time, money and talent.

The bottom line? People want to work at companies that reflect their values, and giving to the community via the AEF is the best way for a start-up company to get involved in the community. Put it on the agenda for your next board meeting, and make a unanimous vote to give shares to the AEF!

Ford Tamer is founder and CEO of Agere, one of Austin's fastest-growing start-up companies. Agere is the first AEF donor whose pledge of stock has actual value. Founded in 1998 with $8 million in funding from TL Ventures & Austin Ventures, Agere was purchased by Lucent Technologies for $415 million in January

Underwriters Give AEF Wings. "Beware Romans bearing gifts and venture capitalists asking for money..." was the opening line of the pitch letter dated August 19, 1999. With that letter sent to about 75 company executives, and $50,000 committed from each of Dazel and Austin Ventures, they were on a mission – to raise $1 million from local tech-friendly corporations to start up the 'venture.'

Five weeks later, on September 27, 1999, a press conference was held at the Driskill Hotel to officially announce the formation of the Austin Entrepreneurs Foundation. With nearly $500,000 committed early on by a strong group of founding underwriters, AEF board members decided to launch (in order to ensure companies' stock was captured prior to some imminent liquidity events), and raise the second half of the monetary goal after the launch.

Thanks to quick decisions by these companies to invest in the 'startup' operation, the AEF was able to immediately hire an executive director and begin building an operational structure to sustain the Foundation. Without their trust and vision, the Austin Entrepreneurs Foundation would still be one of those 'nice-to-have' discussion topics at gatherings around Austin.

Our AEF Underwriters include:
(* signifies Founding Underwriters)

Visionary

AustinVentures*

DAZEL* An HP Software Company

DELL

Donaldson, Lufkin & Jenrette

GRAYCARY. TECHNOLOGY'S LEGAL EDGE℠*

MORGAN STANLEY DEAN WITTER*

TL VENTURES*

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Ernst & Young LLP*
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TateAustin
Tejas Securities Group
Texas Monthly
Trellis Partners*
Vignette*
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Partner

Adams Capital Management
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Brobeck, Phleger & Harrison LLP*
Centerpoint Ventures*
Colliers Oxford Commercial*
Endeavor Real Estate Group
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KPMG, LLP
McKinsey & Company
Murphree Venture Partners*
PowerShift Ventures*
Sanchez Capital Partners
seedstage.com*
SG Cowen & Company*
Silicon Valley Bank*
Spot Associates*
SSM Ventures*
Techxas Ventures*
Trammell Crow Co.*
Triton Ventures*
Vinson & Elkins L.L.P.

Friend

Comerica Bank-Texas*
Goldman Sachs & Co.*
Maxwell Locke & Ritter P.C.
Momentum Software
The LBJ Holding Company
The Thompson Group

Austin Companies Commit Stock Options.

When your corporate counsel, auditor and board members support you, it's not a difficult decision to put an AEF stock grant on your board agenda. It's when your venture capitalist calls YOU and asks you to consider it, that you KNOW this is a no-brainer!

That's exactly what is happening all over town as 60 entrepreneurial companies have granted stock options to the Austin Entrepreneurs Foundation. It's become the rally cry of our community – Take Stock in Austin!

Initially, five companies made a public commitment – and a peer challenge– to donate stock to the AEF. Participating in that challenge were: Kip McLanahan from BroadJump; John Reece from Tantau; Ed Perry from Human Code; Gary Neill from Covasoft; and Mike Rosenfelt from NotHavard.com.

As of our publication date, the following Austin companies have risen to the challenge:

@hand corporation
Active Power, Inc.
AgentGO.com
Agere Inc.
Agillion
all.com
Applied Science Fiction
Baleo
BroadCloud Communications Inc.
BroadJump
BTExchange
CaritaSoft, Inc.
Charitableway
ClearCommerce
Community TechKnowledge
Convio, Inc.
Covasoft
Dryken Technologies Inc.
eCertain
eCustomers.com
eLaw
EnfiNet Media Corporation
Exterprise, Inc.
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mall.com
MediaPrise, Inc.
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Motive Communications, Inc.
NetBotz
NotHarvard.com
Partnerware, Inc.
Pavilion Technologies Inc.
PointOne Telecommunications, Inc.
PointServe, Inc.
Question.com
Quick Arrow
Silicon Laboratories
Silicon Metrics Corporation
SmartPrice.com, Inc.
Supportkids.com
Surgient Networks
T Manage
Tantau Software
Thinkwell.com
Times N Systems, Inc.
TriActive
Vectris Telecom
Vicinity Systems
yclip.com

Save our Springs Initiative Recognizes AEF at annual Soul of the City Awards Ceremony. Peter Zandan, last year's recipient of the "Soul of the City Award," did a little presenting of his own this year at a celebration held at Threadgill's on June 7.

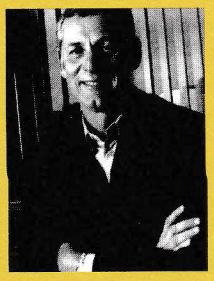
After introducing Lee Walker as this year's "Soul of the City Award" winner for his work with the Community Development Corporation and Capital Metro, Zandan – on behalf of the Save our Springs Alliance – presented a "Barton Springs Hero" Award to the Austin Entrepreneurs Foundation. The Award was intended to reflect the leadership the AEF has taken to ensure the quality of life for all individuals in Austin.

Spotted in attendance were several Austin City Council members, Marcia Ball, Clifford Antone, KGSR's Kevin Conner, Brigid Shea, and dozens of individuals who took their three minutes at an all-night City Council meeting a decade ago – June 7, 199 – to help pass the Save our Springs Initiative.

AEF Wins 2000 Community Collaboration Award.

At an awards ceremony May 10, the Austin Entrepreneurs Foundation was recognized for bringing together key players in the community to launch what has now become the cornerstone organization for entrepreneurial philanthropy in the city.

The award specifically recognized Austin Ventures, Dazel (An HP Software Company), and the Austin Community Foundation for bringing their unique perspectives and power to the table to get the Foundation up and running.



"As an entrepreneur helping to start and grow companies, I found that giving back to the community is not easy for start-ups." – William Bock

Share Wealth by Giving Shares. As an entrepreneur helping to start and grow companies I found that giving back to the community is not easy for start-ups. The investors' money is being spent to build a business, and during this phase almost all such companies are losing large sums as measured by their income statements. It seems inconceivable to the entrepreneur (or the board of directors) to be giving away funds during this process. Even after an IPO, the pressure for earnings performance makes it difficult to allocate significant sums to charity. Also, employees are often working ridiculously long hours, with little time for philanthropic activity.

In my three years as executive vice-president and COO at Tivoli Systems, I participated in the management and direction of our community investment program. Tivoli completed a successful IPO in 1995; however, the company's annual corporate giving budget was relatively insignificant, compared to the volume of requests we re-ceived. I hated saying "no" to worthy requests from the community and, especially, from my employees for causes they believed in.

Saying no to deserving nonprofit organizations was frustrating to my high-tech executive colleagues as well. In fact, there is a real sense of community and a desire to contribute within this group. But, most of them concluded that they were trapped by the system and would get involved – as individuals – after the grind of corporate life was over, a process that could take decades.

On the start-up road once again as CEO of Dazel, the industry's leading provider of information delivery solutions, I was faced with the same constraints: little time or money for volunteerism or community investment. One day, speaking with my good friend Libby Malone, then Chair of the Austin Community Foundation, who has lived in Austin and been involved much longer than I have, we discussed this dilemma about giving back. It didn't take us long to see the solution. Why not use a piece of equity – the same resource that I already used to reward employees, consultants and investors – to help another, equally important team player: the city of Austin?

Founding a Foundation. The model was simple: Utilize stock to fund future nonprofit contributions. Dazel, in collaboration with the Austin Community Foundation, granted a stock option to a donor-advised fund for the purpose of community giving. Then, when Dazel was acquired by Hewlett-Packard last year, proceeds from the value created from building the company became immediately available. Investors, entrepreneurs and the community all benefited, without adversely affecting Dazel or HP earnings.

Our next move was to replicate the process across multiple companies. Austin's high-tech community had a terrific example in the philanthropy of Susan and Michael Dell and was searching for a way to get involved. About that time, entrepreneur Ingrid Vanderveldt donated shares in her start-up, Dryken Technologies, to several local charities. Her attorney, Paul Hurdlow, of the Austin branch of Gray, Cary, Ware and Freidenrich, was intrigued by the concept and began meeting regularly with others in the community to advance the concept of early-stage company equity contributions.

When John Thornton and Lynne Skinner of Austin Ventures agreed to chair a campaign to provide the new foundation with operating capital, Austin Entrepreneurs Foundation was born. Dazel's initial gift, from the appreciation of its earlier stock-option donation, was matched by Austin Ventures, and many other companies followed our lead with gifts of all sizes.

The Process of Contributing Equity. The process is amazingly simple. Board approval of equity contributions is generally required. The AEF provides a form, a standard board resolution, which companies can use to approve an equity contri-

By William Bock - Chairman, Austin Entrepreneurs Foundation. Reprinted with permission from EntreWorld.org and the Kauffman Center for Entrepreneurial Leadership at the Ewing Marion Kauffman Foundation.

bution. The number of shares recommended as a benchmark is that typically granted by the company to a senior technical employee, such as a software engineer. The exercise price of the option should be the fair market value of the common stock on the date of grant.

Today in Austin more than 60 companies have committed equity contributions to the foundation, and the list is growing at the rate of one new company nearly every week. Austin has an estimated 800 young companies and sets records in new venture capital investments every quarter. The numbers in Silicon Valley are even larger.

Both the AEF and the Entrepreneurs' Foundation in Silicon Valley rely on equity contributions from start-up companies to fuel nonprofit activities. Another goal is to develop a culture of community involvement for both the companies and their employees.

What's In It for the Entrepreneur?

Entrepreneurs and their companies get to say "yes" when they share wealth by giving shares. The donor-advised nature of the gift means they can defer decisions about how to apply the funds until their companies are successful and the equity has realized significant market value.

They avoid a future hit to earnings by funding charity programs today. The foundation gives them advice on how to be active in the community and establish the right culture within their companies. Both the company and the community benefit.

Making our mark.

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www.takestock.org

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PARTNER austin entrepreneurs foundation

For more information on Spot Associates, contact Sharon Turnbull at (512) 329-6783 or sharon@spotassociates.com For more information on Scient, call (512) 401-5000.

Image is everything today. When we launched Austin Entrepreneurs Foundation, our goal was to create a meaningful image that would quickly gain recognition in the local community and beyond. We scored! Our logo was graciously donated by Spot Associates, an Austin branding company. Its fresh, compelling look clearly communicates the cooperative, inclusive nature of our organization. And, through color analysis, a palette of slate blue, rust red, moss green and gold was developed to symbolize the constancy, passion, growth and optimism inherent in our culture.

But a logo is just the birth of the brand. Since its inception, we've partnered with Spot to create collateral, *Texas Monthly* and *Austin Amerian-Statesman* ads, and other branding tools to gain name recognition for the Austin Entrepreneurs Foundation. It's working like a charm. In our first year, we've established ourselves in the community and had remarkable response to both our Underwriter and Member campaigns.

With the help of Scient, an eBusiness Systems Innovator, we now have an Internet presence [www.takestock.org] and a better way to communicate with all of our stakeholders.

The Austin Entrepreneurs Foundation thanks Spot Associates and Scient for their contribution to the care and feeding of our emerging brand.

AEF Board of Directors:

Bill Bock DAZEL, Chairman of AEF
Richard Bailey Scient
Bob Fabbio TL Ventures
Paul Hurdlow Gray Cary Ware Friedenrich
Libby Malon St. David's Healthcare System
Lynne Skinner Communications Consultant
John Thornton Austin Ventures
Ingrid Vanderveldt Dryken Technologies, Co-Chair of AEF
Elaine Wetmore NetPerceptions
Paula Fracasso Executive Director & President

"He who obtains has little. He who scatters has much."

Lao-Tzu

As the old man walked along the beach at dawn, he noticed a young man ahead of him picking up starfish and flinging them into the surf. Finally catching up with the youth, he asked, "Why are you doing this?" The answer was that the stranded starfish would die if left 'till the morning sun. "But the beach goes on for miles and there are millions of starfish," countered the old man. "How can your effort make any difference?" The young man looked at the starfish in his hand. Tossing it safely into the sea, he replied, "it makes a difference to this one."

Commit.

If you are interested in learning more about the Austin Entrepreneurs Foundation, please contact Paula Fracasso, Executive Director, for more information: P.O. Box 684826 Austin, Texas 78768-4826 v: 512-494-7365 f: 512-494-7394 e: paula@takestock.org w: http://www.takestock.org

AEF is tax exempt under section 501(c)(3) of the internal revenue code. Contributions are deductible to the extent allowed by law.

Austin Entrepreneurs Foundation hires E.D. AEF engaged Non-Profit Management Consultant, Paula Fracasso, in September 1999. In mid-December, the Board invited Fracasso to become the foundation's first Executive Director. "AEF is on the cutting edge of philanthropy. It was too exciting to pass on," said Fracasso about her decision. Paula brings ten years of philanthropic experience and in-depth knowledge of the Austin community to her new position. She has a M.S. in Public Policy and Management from Carnegie-Mellon University. Paula was a member of the 1999 class of Leadership Austin and has served on various community boards including the City of Austin Design Commission and Huston-Tillotson College Development Council.



Take Stock in Austin
Winter 2000
Issue No. 2 Newsletter
Lynne Skinner, Editor

It is our mission to encourage and facilitate a culture of stakeholding between the entrepreneurial and non-profit communities in Central Texas.

Austin's Favorite CEOs Speak Up. See what they have to say about community stakeholding.

Austin Companies Commit Stock Options. See who has risen to the challenge.

AEF Team Expands. Welcome to new CEO – thanks to volunteers.

mindshare

A movement has begun. In the past year, we have not just built and fueled an organization, but together our Austin Entrepreneurs Foundation family has formed a movement – one that, we trust, will sustain regardless of political or market conditions. This is because a movement fills more than a need – it fills a place in our collective minds and encourages us to throw our arms around the notion that our future will not be a gift, it will be an achievement. With more than 90 entrepreneurial companies, 55 underwriters, and several industry partners in Central Texas reaching this common understanding, we have achieved a significant level of harmony and momentum for our mission.

According to Max de Pree, author of several leadership books, and a member of the Peter F. Drucker Foundation for Nonprofit Management advisory board, 'movements' have certain distinguishing marks that raise an organization beyond the status of just "collections of people and assets that serve a purpose."

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con't from cover:

Movements:

- illustrate new ways of working together, and set standards for effective function and enlightened contribution.
- have a sense of urgency, they are never casual.
- have a high level of trust; they are civil places where people respect each other.
- thrive on stories: "We are defined by our stories, which continually form us and make us vital and give us hope."
- require spirit-lifting leadership, which enables, enriches and holds the organization accountable, and in the end lets go.
- require competence, not just character, and have a commitment of substance over bureaucracy.

In the spirit of "movement", this issue of MindShare, will illustrate enlightened contributions, tell some stories, highlight leadership, and provide a reminder of the sense of urgency that sparked the movement to begin with.

As you read it, you'll immediately see that staff and volunteers of the AEF are not resting on any laurels! Our new CEO, Elaine Wetmore, has hit the ground flying, working with our community partners, members and underwriters – not just in Austin, but also in new markets such as North Texas/Dallas. We have a new pair of wings, and they are highly competent and certainly spirit-lifting!

On behalf of the board of directors, I'd like to thank the individuals who contributed to this newsletter. We intend for this to evolve with your input. And thanks to each of you for your contributions to the AEF. If you have not yet found a way to engage, please contact the office and talk with the staff, or any of the board members.

"Movements," said De Pree, "are easier to recognize from the inside."

What has your company been up to? Have you found ways to contribute to your community? If so, how? Let us know! This is your newsletter as well. We may feature you in the next edition of MindShare. Please send us your story ideas.

If you would like to add one or more people to our mailing list, or to request multiple copies of this publication (available to members and underwriters only), please send your request to info@takestock.org.

Technology Veteran Joins AEF as Chief Executive Officer



Elaine Wetmore, AEF CEO

With more than 17 years experience in the technology industry and the sale of her last company complete, Elaine Wetmore reached a decision point in her professional life in February of this year. "I debated whether to join another venture-backed start-up or to retire to our ranch to raise cattle," said Wetmore, who had also been active with on the Board of Directors of the YMCA and the State Theater since moving to Austin in 1994. "But I was not passionate about either."

So when John Thornton and Bill Bock asked her to consider the CEO position at AEF, Wetmore knew she had found an opportunity to use her financial and executive management skills, to stay connected with technology companies in Austin and to give back to the community, all in one job. "I couldn't have written a better job description for myself if I had been given a blank sheet of paper," she says.

Elaine's primary responsibilities at AEF include recruiting members and underwriters, managing the funds generated by each member company, and establishing the infrastructure to facilitate successful growth of AEF over the next five years. Prior to joining AEF, Elaine had been the President and COO of Knowledge Discovery One, Inc. and had presided over its acquisition by Net Perceptions, Inc. of Minnesota. She also had been the CFO and Vice President of Tivoli Systems, Inc. and had worked for IBM for 13 years in various financial management positions in Texas, New York and Vermont.

AEF Spreading the Word

So much for settling in! New AEF CEO, Elaine Wetmore, has been kept hopping, as she has rustled up her usual high energy to spread the word for the good work our members and underwriters are doing with the AEF. So if you run into her on the street, and she has a lavaliere microphone attached to her blouse, don't be surprised. Special thanks goes out to all of the host organizations that invited her to participate in the following speaking opportunities.

Sept. 19 Launch of the North Texas EF at the Communities Foundation of Texas in Dallas

Oct. 3 KLRU Taping "Digital Divide" Follow-up show

Oct. 5 Charitech Panel

Oct. 6 University of Texas Seminar on "Raising Funds in the New Austin Economy"

Oct. 10 "Start-up 101" sponsored by Jenkens and Gilchrist

Oct. 24 "Road to IPO" sponsored by PricewaterhouseCoopers

Oct. 25 Southwest Texas Venture Capital Conference Luncheon speaker sponsored by Brobeck, Phleger & Harrison LLP

Oct. 30 Metropolitan Leadership Network conference luncheon speaker

Nov. 2 Tulane Business Forum in New Orleans, LA

Chairman & Board Welcome New Members; Stake holders Hits 90, Continues to Grow

From AEF Chairman, Bill Bock

Our ever-growing list of members is a constant reminder to me of the commitment of our Austin entrepreneurs and their companies to the community and to each other. Congratulations and thank you to the more than 90 companies listed below who have agreed to become part of a movement to improve the quality of life in Austin for everyone.

However, a reminder: a commitment to the Austin Entrepreneurs Foundation requires the same contractual follow through as any successful business transaction. While handshakes and napkins may be the best way to start a great deal, your agreement to donate stock options to AEF requires a completed Stock Option Grant and a signed Donor Advised Fund Agreement to be effective. AEF and your attorney can assist you with both. Please remember that your company, its employees and the community are counting on you to seal the deal!

Thank you!

Bill

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yclip.com
Waveset Technologies, Inc.
Wavefly
Vectris Telecom
TriActive
Tonic Software, Inc.
Times N Systems, Inc.
Thinkwell.com
Terrace Mountain Systems
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Newgistics, Inc.
NetBotz
Motive Communications, Inc.
Momentum Software
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dForward
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Convio, Inc.
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Community TechKnowledge
ClearCube Technology
ClearCommerce
Charitygift.com
CarPlaces.com, Inc.
CaritaSoft, Inc.
BTExchange
BroadJump
BroadCloud Comm.
Bridgepoint Technical Manufacturing
Banderacom
Applied Science Fiction
all.com
Agillion
Agere Inc.
AgentGO.com
Advent Networks
Active Power, Inc.
360 Commerce
2ndWave
@hand corporation

AEF Serves as Pilot Customer for Digital Footbridge

Hmmmm – this "giving away money" thing isn't as easy as it sounds!

Elaine Wetmore, Chief Executive Officer of the AEF, explains: "We're operating multiple grant programs with a complex set of constituents, both donor companies and non-profit organizations. AEF needs to conduct all of that business on-line. We also need to integrate the information from our work in one simple web platform. Digital Footbridge is committed to deliver exactly what we need, where nobody else in the market seems ready to do that."

Digital Footbridge's initial pilot customers include the Austin Entrepreneurs Foundation, The Convergence Institute, the Dauskurdas Foundation, and Austin Social Venture Partners.

Digital Footbridge, an AEF member, is an Internet software company that provides web-based business applications for the philanthropic market, including grant-making foundations and non-profit service delivery organizations.

"Silicon Labs has had a great year and the support of the Austin community has been an important aspect of our success. We are pleased to be able to contribute back to the community that has been so important to our growth through our involvement in the Austin Entrepreneurs Foundation. A vibrant, healthy community benefits everyone, and Silicon Labs will always strive to be an active contributor to Austin."

-- Nav Sooch, CEO and Founder, Silicon Labs, AEF Member

Austin Social Venture Partner Program Engages Individuals in Leveraged Philanthropy

By McKeever Darby

Confused with the alphabet soup that's prevalent in the Austin philanthropic community? Good news! Most of these are partners with AEF in some capacity, and we're committed to their missions and encourage you to learn more about membership! Our first in a series of 'Partner Highlights' is the Austin Social Venture Partner program.

The Austin Social Venture Partners (ASVP) program is comprised of business professionals from Austin's high-growth companies who are committed to building a focused and effective community of givers. ASVP partners leverage their personal financial contributions with their collective intellectual capital, to help the nonprofit community and have fun erstwhile! It's a young, diverse group with a lot of energy and spirit to get things done.

The ASVP (www.asvp.org) partners are helping to pioneer a new model of giving that is growing around the world – Venture Philanthropy. Based on the venture capital model, we provide financial support and business expertise to help our nonprofit investees develop more efficient, sustainable organizations. We specifically like working with Central Texas nonprofits to address root causes of community problems.

Our ASVP Partners:

- Make a minimum donation of $5,500 each year for two years (including a $500 contribution to the ASVP operating fund);
- Actively participate by volunteering skills directly to Investees or to one of the ASVP working committees;
- Attend general partnership meetings twice a year to vote on funding for organizations; and,
- Actively recruit new partners, while strengthening their own professional and social network.

In case you're still confused by the "alphabet soup": ASVP and the Austin Entrepreneurs Foundation (AEF) are complementary organizations. While the AEF focuses on engaging early-stage companies in philanthropy through the donation of equity, ASVP seeks to engage the individuals from these companies who have achieved a degree of financial means, and who have a personal desire to contribute directly.

In its first year of operation, ASVP invested $220,000 in grants – which we prefer to think of as "leveraged philanthropic capital" – into eleven Austin-area community organizations, and is on track to give more than twice that amount this year. Consider the short- and long-term impact, as our partners' dollars are distributed today to begin to solve tomorrow's problems.

If it's in your blood and you really want to have an impact and volunteer at a high level with other new-economy professionals, we invite you to join us in our efforts. For information about Partnership or to attend one of our events, please contact McKeever Darby, Executive Director, at mdarby@asvp.org or 512-305-0566.

Knowbility, Inc.

is a nearly 2-year old start-up non-profit, begun with the premise that information technology (or IT) should be barrier-free for people with disabilities. It was among the recipients of ASVP's initial grant cycle. The ASVP funds helped Knowbility expand its signature AIR events (for Accessibility Internet Rally) from Austin to Dallas and Denver, as well, resulting in the creation of dozens of accessible web sites. This led to Knowbility's receiving special recognition from the Peter Drucker Foundation this year for non-profit innovation. Just one example of the potential for the venture philanthropy model.

MEMBERS AND UNDERWRITERS AT WORK IN THE COMMUNITY

Motive Communications sponsored its first annual Bison Stampede 10k race to benefit the Lymphoma and Leukemia Society. Triactive is gathering its employees to engage in some holiday cheer by supporting SafePlace in Austin this season. Caritasoft, Waveset, DAZEL, Agere Systems, Dryken, Exterprise, BroadJump are just a few of the AEF member companies who have already begun forming their bowling teams to compete in The Austin Cup on February 3, 2001. The entry fees that they raise will go directly to the Children's Advocacy Center, home of the Child Protection Team. Modem Butterfly, a fundraising and networking event highlighting Ballet Austin's production of Madame Butterfly, was held September 7. The Austin Community Foundation hosted its Celebration of Giving. Guest speaker was Robert Kennedy. ColliersOxford Commercial, one of our founding underwriters, presented their second-annual Links for Life Golf Tournament on a sloppy, yet fun and productive, November 2. The technology tournament had over 100 golfers, and contributed an estimated $50,000 to the Austin Children's Shelter. Applied Materials and Fast Company Magazine hosted an incredible day October 5 at the One World Theatre for the all-new Charitech event. Nonprofit executive directors spent the morning learning about new economy tools and philanthropy, while the afternoon session had about 150 technology executives discovering new ways to spend, lead, and engage. Everyone reconvened in the CyberLounge for an intimate show by Lyle Lovett – nice treat!

"Active Power intends to be a dynamic and involved member of our Austin community. As a power quality company, we provide highly reliable electric power to our customers worldwide with environmentally friendly solutions. Joining other local companies with a passion for a clean environment, Active Power is striving to complement Austin's community."

--Joe Pinkerton, CEO, Active Power AEF Member

Taking a Stake – at Any Stage

Are you more concerned with meeting quarterly quotas right now than making a community contribution? Stick to your knitting – you won't be doing anyone any good if your business fails!

You don't have to take on the world – no one expects a newly-funded company to contribute in quite the same manner as a Fortune 100 corporation! However, there are a lot of simple things you can be doing now that will reinforce your corporate culture of stakeholding, without taking a lot of resources away from your bottom line – or stitches out of your knitting.

Start-up/Early Stage	Emerging/Growth	Public or Mature Private
▪Develop the culture	▪Develop policies	▪Set up foundation
▪Hire accordingly	▪Matching program	▪Incorporate into strategy & planning
▪Reward leadership	▪Nurture/train leaders	▪Be a partner
▪Incorporate as part of your mission	▪Promote volunteerism	▪Donate money
▪Contribute stock options	▪Help/plan strategy for organizations	▪Lend executives
▪Be an advocate	▪Donate in-kind	▪Engage at several levels in organization
▪Do project work	▪Use your influence	▪Social responsibility audits

Need some help? If you're looking for those 11th hour holiday gifts for clients and associates, log on to www.charitygift.com. You can even refer to it as a "home made" gift!

Austin-born-and-raised, and proud AEF member, Charitygift allows gift givers a convenient way to make a charitable donation in someone else's honor. Their all-occasion, customizable print and e-cards permit recipients to choose any charity in the country to benefit from the donation, with 100% of the donation going directly to that charity. Charitygift's products provide an easy and innovative alternative to traditional gift giving.

Many local businesses have streamlined their fundraising and cause-related marketing campaigns by using Charitygift's unique services. Austin Entrepreneurs Foundation underwriters Vignette, Momentum, Triton Ventures and Vinson & Elkins have all employed Charitygift's services to initiate corporate fund-raising efforts.

Those classy little boxes, and the chance to make a contribution to YOUR favorite charity with someone else's money – gotta love THAT concept!

Mind Share-ing The staff and board of the AEF would like to recognize just a FEW of the volunteers who have committed their time (and their minds) to help the AEF continue to deliver services and spread the word. If you have a passion for our mission and are interested in volunteer opportunities, please contact the office.

Wally Moore **created our service delivery process and also volunteers to coordinate community involvement programs for our donor companies.**

Jan Friese (CyberPlus) and Kim Seeling (TMP Worldwide) **volunteered to coordinate and moderate the speaker panel for the Forum for Women Entrepreneurs and AEF breakfast sponsored by Baker & Botts.**

Stuart Edwards (Silicon Valley Bank) **takes every opportunity to promote AEF to his clients, including the venture capitalists and start-ups resulting in increased membership and funding for the foundation.**

Bruce Kravitz and Selwyn Polit **are working as volunteers with Triactive and Extreme Devices to establish the donor companies pre-liquidity event volunteer programs.**

Nancy Ebe (Ebe & Associates) **is working as a volunteer with donor member MediaPrise as well as leveraging her network to introduce others to the volunteer opportunities at AEF.**

AEF Underwriters Continue to Shine

(★ signifies new Underwriters)

Visionaries

AustinVentures

DAZEL
An HP Software Company

DELL

Donaldson, Lufkin & Jenrette

GRAYCARY. TECHNOLOGY'S LEGAL EDGE℠

MORGAN STANLEY DEAN WITTER & CO.

TL VENTURES

scient®

Champions

Austin American-Statesman
BMC Software
Chase H&Q
Ernst & Young LLP
Gunderson Dettmer
PricewaterhouseCoopers
Robertson Stephens
TateAustin
Tejas Securities Group
Texas Monthly
Thompson & Knight, LLP★
Trellis Partners
Vignette
Wilson Sonsini Goodrich & Rosati

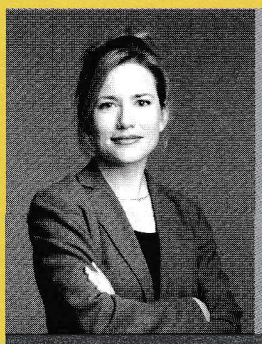
Partners

Adams Capital Management
Bank of America, NA
Brobeck, Phleger & Harrison LLP
Centerpoint Ventures
CollidersOxford Commercial
Endeavor Real Estate Group
Gottesman Co.
Growth Capital Partners, L.P.
HerronWilliams★
Hill Partners, Inc.
Hire Tech
Imperial Bank
Jenkens & Gilchrist
KPMG, LLP
McKinsey and Company
Murphree Venture Partners
PowerShift Ventures
Sanchez Capital Partners
seedstage.com
SG Cowen & Company
Silicon Valley Bank
Spot Associates
SSM Ventures
Techxas Ventures
Trammell Crow Co.
Triton Ventures
Vinson and Elkins L.L.P.
virtualcfo★

Friends

Comerica Bank - Texas
Goldman Sachs & Co.
Gregory S. Marchbanks★
LBJ Holding Company
Maxwell, Locke and Ritter P.C.
Momentum Software
The Thompson Group

The Proven Power of Stakeholding



By
Ingrid Vanderveldt

Today, November 7, 2000 is a special day for me. I have a lot to be thankful for: a growing company, an incredible team of dedicated employees and investors, 100% referenceable clients, and a solid, scaleable product line. Today I turn 30, and I am incredibly grateful. A year ago, many people said that our company would be "dead in the water". Ask anyone in town and they will tell you the same.

Our company has "made it" because we have a solid business concept. However, this is only one of the ingredients that have contributed to our increasing success. The true driver of our success is our devoted people and our strict commitment to a strong, undeniable value system. We are committed to each other and our community.

When our company, DRYKEN Technologies, decided to make a donation of company stock to local charities in early 1999, we had no idea the tsunami we were about to be swept up in. The idea was formed to donate stock and give back to the community through the founding of the Austin Entrepreneurs Foundation. The concept made good sense. The concept truly came alive when a lot of people got behind it and said, "We love it!".

Little did I know giving stock would also become a source of struggle for our company. Not because DRYKEN employees and investors weren't supportive, but because the idea of donating stock was so new at the time. Many people in town thought that there was "no way" a new CEO would be focused on building a company while at the same time, giving back to the community. However we know through personal experience that this not true.

The attention the Company received through its stock donations became a source of pride and ownership for the employees. It also became a draw for top talent looking for a place to work that provided not only an exciting professional challenge, but also one where a value system was clearly in place and made a priority. Turnover was virtually non-existent.

The true driver of our success is our devoted people and our strict commitment to a strong, undeniable value system. We are committed to each other and our community.

Employees hunkered down and decided that if we had only a shoestring budget to work with that we would funnel everything into building a strong product. Therefore when we emerged from the fundraising initiative, we could focus everything on execution of sales and quickly capture market share. This became the silver lining in our fight to survive the last year.

This passion and drive to succeed seeped into the community. Soon we found ourselves attracting unique top talent of people who were seeking a dynamic work environment, and also one that made caring about its people and the community a priority. The companies we supported through stock donations like Girlstart and the Austin Library Foundation became vocal supporters and cheerleaders for the company – making introductions to other people and companies that would be interested in supporting the DRYKEN cause.

Due to our commitment to building a strong product, the dedication of the team and the support of the community, over time, DRYKEN attracted Austin's top investment talent to fund the Company. Tom Meredith from Dell and Gene Lowenthal from Sanchez became open supporters of the company and, along with other investors infused the company with $5.7M in funding. Now the key for ongoing success is execution and DRYKEN has already proven that its team can execute and succeed against all odds. The reason is because of the people who have joined together not just for the work, but because of a greater mission to be part of something important that has an impact in the community.

For all of this I cannot stress enough the power of giving back to the people and the communities we live in. It is the key to building a successful, sustainable organization. When you give back to the community, it will continue to give back to you – through providing great employees, clients, investors and livable environments for our families.

AEF Board of Directors:

Bill Bock DAZEL, AEF Chairman
Richard Bailey Scient
Bob Fabbio TL Ventures
Paul Hurdlow Gray Cary
Libby Malone Grande Communications
Lynne Skinner Ingage Communications
John Thornton Austin Ventures
Ingrid Vanderveldt Dryken Technologies
Elaine Wetmore AEF CEO
Paula Fracasso AEF Executive Director

AEF Staff: Elaine Wetmore CEO Paula Fracasso Executive Director Heidi Murphy Associate

Personality has the power to open doors, but character keeps them open.

SUCCESS

TO LAUGH OFTEN AND MUCH,
TO WIN THE RESPECT OF INTELLIGENT PEOPLE
AND THE AFFECTION OF CHILDREN;
TO EARN THE APPRECIATION OF HONEST CRITICS
AND ENDURE THE BETRAYAL OF FALSE FRIENDS;
TO APPRECIATE BEAUTY,
TO FIND THE BEST IN OTHERS;
TO LEAVE THE WORLD A BIT BETTER,
WHETHER BY A HEALTHY CHILD,
A GARDEN PATCH OR A
REDEEMED SOCIAL CONDITION;
TO KNOW EVEN ONE LIFE
HAS BREATHED EASIER
BECAUSE YOU HAVE LIVED.
THAT IS TO HAVE SUCCEEDED.

– Ralph Waldo Emerson

Commit.

★ ★ ★ ★ ★

If you are interested in learning more about the Austin Entrepreneurs Foundation, please contact Elaine Wetmore, CEO, for more information, or visit our website at http://www.takestock.org. The AEF can be reached at: P.O. Box 684826 Austin, Texas 78768-4826. Phone: 512.494.7365. Fax: 512.494-7394. Email: info@takestock.org

AEF is tax exempt under section 501(c)(3) of the internal revenue code. Contributions are deductible to the extent allowed by law.

SNEAK PREVIEW

Our movement is not just in and about Austin. The Austin Entrepreneurs Foundation is excited about the collaboration that has taken place with the Entrepreneurs Foundation of Silicon Valley in recent months. This sister organization began in 1998 under the leadership of Gib Myers, General Partner of the Mayfield Fund and today boasts of more than 70 member companies with giving programs active in more than 60. AEF is delighted to join forces with EF and is making plans to advance the Entrepreneurs Foundation movement across the country. Stay tuned for more details in 2001!

AUSTIN ENTREPRENEURS
FOUNDATION

"Human Code always had the desire to contribute to the community but was always challenged by where to focus. We recently chose to support the community through the Austin Entrepreneurs Foundation. I've found that Elaine and her team have made this very simple for us, and we have been able to make a much bigger impact with our philanthropic efforts by working through the AEF."
--Ed Perry, CEO,HumanCode/ Sapient & AEF Member

Take Stock in Austin
Spring 2001
Issue No. 3 Newsletter
Lynne Skinner, Editor

It is our mission to encourage and facilitate a culture of stakeholding between the entrepreneurial and non-profit communities in Central Texas.

Rules & Tools of Engagement.
Three tech company community gurus provide tips on getting employees involved.

Why they choose to serve.
Area executives tell why they give time and energy to their community.

Austin Interdependence Day.
We rustled 'em up for a Class of 2000 photograph!

mindshare

For me, all it took was one smile... from a tiny 6-year old girl who lived in a tidy, albeit bare, project unit in South Austin. Her parents worked hard, but low wages meant holidays were celebrated humbly; gifts and fancy meals were not available. I just happened to be the one that came delivering that day. And with that ear-to-ear grin, I was hooked. The police officers with me knew it as we got back in the squad car and tears rolled down my face.

The officers saw a need and they asked some civilians to listen. Soon, there was a full-fledged miracle emerging in "Operation Blue Santa," and that's all it took for me to understand the power and value of serving my community.

Service doesn't mean the same thing to everyone. In fact, the motivators and rewards are very personal, and different for everyone I know that chooses to lift a finger for someone else. It's one of those things that, with only the slightest coaxing and a little stretch, a rookie volunteer will find incredibly educational, enlightening, fun, empowering, and, in many ways – healing. Community involvement offers more rewards than most people know.

con't on page 3

AUSTIN ENTREPRENEURS
FOUNDATION

The Austin Idea Network Announces Four Major Initiatives

Provides "A Place to Start" for Technology Executives

By Kristin Gossett, Executive Director

The Austin Idea Network is a group of high tech entrepreneurs and community leaders dedicated to improving the quality of life in Central Texas by helping relieve some of the strains caused by the region's growth. The Network, in partnership with McKinsey & Co, created a framework to mobilize leaders in the technology community to lead projects that meet clearly – articulated guidelines. The Network's goal is to have a rapid, measurable impact on some of the most important challenges facing our region.

"We recognize that it is imperative to step up to our community responsibility and help preserve this region's quality of life", said Peter Zandan, chairman of Pazzaz and co-founder of the 360 Summit and the Austin Idea Network.

The Network works in collaboration with existing community organizations, many of which are eager to tap into the energy and intelligence of the tech community but don't know where to start. "We'd like to say, 'Start with us," said John Thornton, general partner of Austin Ventures.

The Network provides research on best practices in a given issue area; access to leaders in the technology community who are otherwise hard to reach; and oversight by the committed leadership group. Together with community leaders, the Network then scopes a project which can have meaningful results in 12-18 months; recruits someone from the tech community to help co-lead the project; and agrees on the metrics which will distinguish success from failure.

At the 360.01 Summit in January, the Austin Idea Network announced four projects to impact education, social equity, and the environment in the Austin region. They include:

Strengthening Educational Resources in East Austin. The Network is forming a partnership with Huston-Tillotson College to increase its impact as an educational resource in East Austin. Together, we are developing a plan to more tightly connect the College to entrepreneurs and executives in the business community.

> **"We recognize that it is imperative to step up to our community responsibility and help preserve this region's quality of life"**

Increasing Access to Technology. The Network is researching resources and business models to launch DigiKids, a program being developed in partnership with the Austin Independent School District. DigiKids will strive to get a home computer in the households of all students in AISD. To provide training for teachers, parents, and students, the Network will partner with the Community Technology & Training Center (CTTC), a program operated at local high schools in low-income neighborhoods during evenings and weekends.

Improving Air Quality and Reducing Traffic. The Network is teaming up with Clean Air Force and Environmental Defense to fight smog and reduce the number of cars on the roads. Our goal is to motivate major employers and other businesses to increase ride sharing, telecommuting, biking to work, the use of solar/wind power, and other innovative alternatives.

Creating More Affordable Housing and Strengthening Neighborhoods. The Network will focus research, marketing, and fundraising activities to help increase the supply of affordable homes and apartments. This effort will leverage work already underway by the City of Austin's Smart Housing program. The Network has also begun an "Adopt a Neighborhood" pilot project that will bring together high-tech professionals and East Austin residents to work on strategies to help neighborhoods implement their vision of the future. The Network is working with the Chestnut Neighborhood on key issues including computer training, planning and business mentoring, and dealing with gentrification as well as creating affordable housing.

How to get involved? Individuals may join a Working Group where they would work on task teams alongside community experts to plan, execute, and evaluate strategy for each project. Task Teams are also being formed to carry out specific parts of each project. Volunteers are also needed for research, business planning, and fundraising. Individuals, companies and foundations are encouraged to consider becoming Austin Idea Network founding investors. Opportunities are also available to fund specific projects.

For more information, visit www.austinideanetwork.org

Con't from cover:

Money's tight. Ask any non-profit organization. Heck, ask any technology company! But it's in times like these that some of the most incredible things can happen. So maybe what we have right now is not a problem, but an opportunity.

What if, for instance, instead of one dollar, we each gave one hour? Considering the value of one hour of your time could range from $10 to $500+, think about the collective impact a team of just 50 employees might have on a community project. The $50 might have covered postage for a small mailing, but 50 hours – think about it! You could: deliver meals to 50 homebound elderly people, teach 10 kids how to use a mouse and get online, get all the walls up in a Habitat house, or mentor an at-risk-student for a month and change their life forever!

This issue of MindShare is dedicated to the spirit of service. Not only to those who are already serving in some capacity, but for those who are looking for healthy ways to contribute to our society. On behalf of the board of directors and staff of the Austin Entrepreneurs Foundation, I'd like to salute our "servants" and encourage our future leaders. And a heartfelt thank you is extended to the people who contributed to this newsletter, as well as to those who serve the AEF in a volunteer capacity, as we continue to promote our spirit of "stakeholding" in Austin.

What has your company been up to? Have you found ways to contribute to your community? If so, how? Let us know! This is your newsletter as well. We may feature you in the next edition of MindShare. Please send us your story ideas.

If you would like to add one or more people to our mailing list, or to request multiple copies of this publication (available to members and underwriters only), please send your request to info@takestock.org.

Our 2001 Program Goals

by Elaine Wetmore, AEF CEO

While the capital markets maintain an icy silence in response to initial public offerings, winter is melting into spring for the Austin Entrepreneurs Foundation whose focus is on the future harvest of its member companies. This year AEF has set several key goals to insure a bountiful outcome when the chill is off from NASDAQ.

It is the year of Corporate Community Involvement where, in spite of difficult funding environments and delayed liquidity events, our member companies are establishing giving strategies, choosing social issues and planning volunteer programs in advance of an IPO. Not that there isn't room for more members and underwriters to join the movement! Sales are always at the forefront of critical business objectives in any start-up and AEF is no different. In 2001 AEF is specifically committed to:

1. Achieve the commitment of at least 160 venture-backed start-ups to donate stock options to leverage their increasing value to benefit the company and Central Texas
2. Establish and facilitate Corporate Community Involvement programs in at least 75 AEF member companies
3. Sponsor a seminar for Non-profit Organizations that provides comprehensive information on how to interact with the high tech donor community and with AEF
4. Host multiple education, donation and celebration events throughout the year in conjunction with our generous Underwriters and Members to recognize and promote the vision and mission of AEF
5. Build a flexible, scalable highly-leveraged infrastructure within AEF to accommodate high growth and fluctuating market conditions
6. Support the national rollout of Entrepreneurs Foundations across the country

Out and About

Our thanks to all of the organizations and businesses that have recently invited us to evangelize the mission of the Austin Entrepreneurs Foundation:

January 11 – Austin 360.01 Summit Luncheon: "Combining Business with Passion"

January 12 – UT Non Profit Organizations Institute seminar for Continuing Legal Education spotlight on "Sharing Stock in your Community"

January 18 – Panel "Emerging Philanthropic Models from Austin, Texas" sponsored by the San Antonio Chapter of the National Society of Fund Raising Executives

January 30 – MetroBusinessNet Conference at St. Edwards University

February 13 – The INDUS Entrepreneurs (TiE) Network featuring "Entrepreneurial Philanthropy "

March 8 – "Techno-Philanthropy: How Austin Tech Companies and Leaders Can Give Back" panel sponsored by Association for Corporate Growth, Austin Software Council and Texas e-Comm

March 19 – Lecturer for the University of Texas Professional Development Center "Fundraising Management Certificate Program"

March 21 – "Stock Options Plans and Charitable Giving" sponsored by the Austin Chapter of the National Association of Stock Plan Professionals

Members Come and Go - The Stakeholding Spirit Stays

In recent months, a week rarely passes without an announcement of the dissolution of at least one venture-backed start-up company. Some weeks, in addition to outright closures, there are three or four firms laying off employees, struggling to stretch the remaining cash for as long as possible. In spite of this trying business environment, there are still several companies each week who are joining the Austin Entrepreneurs Foundation; they are keeping community service in the forefront of their corporate culture by committing to donate stock options to create a promise for the future. Yes, a handful of start-ups who completed option grants are now closed, and others who committed to do so, ran out of time. Yet the officers and employees of those companies take with them an awareness of the AEF movement and recognition that community service is important. This list will continue to grow because new ideas are generated and new companies are created every day in Austin. Congratulations and thank you to every AEF member company: past, present and future.

AEF Member Companies

@hand corporation
212 Studios
2ndWave
360 Commerce
Active Power, Inc.
Advent Networks
AGEA Corporation
Agere Inc./Lucent
Alchemy Semiconductor
ALEx Financial Services
allmystuff.com
Applied Science Fiction
Banderacom
BOXX Technologies, Inc.
Bridgepoint Technical Manufacturing
BroadCloud Communications Inc
BroadJump
BTLogic
CaritaSoft, Inc.
CarPlaces.com, Inc.
ClearCommerce
ClearCube Technology
Community TechKnowledge
Compu-Care
Convio, Inc.
Coral Technologies
Covasoft
Dazel/HP
dForward
Digital Footbridge
eCertain
eCustomers.com
eLaw
Embarkadero, inc.
eNetica Solutions, Inc.
Excalium
Exterprise, Inc./Commerce One
Extreme Devices
FLQ Solutions
Fracta Networks
General Bandwidth
Grande Communications
Handtech.com
Hire.com
HireStorm
HotData
Human Code/Sapient
Ineto
Isochron Data Corporation
Journee Software
JumpStart Revenue
KnowledgeBeam
Kurion, Inc./iSyndicate
Lane 15 Software
Layer N Networks
Liaison Technology, Inc
Loanfirst.com
Lombardi Software
Loop One
Managing Yours
MediaPrise, Inc.
Mindwave Research
Momentum Software
Motive Communications, Inc.
NetBotz
NeTraverse, Inc.
Newgistics, Inc.
nLine Corporation
Partnerware, Inc.
Pavilion Technologies Inc.
Pervasive Software
PointOne Telecommunications, Inc.
PointServe, Inc.
Powered
promoOrder.com
Question Tech
Quick Arrow
Reactivity
rightsworld.com
Salion
SchoolPeople
Sigmatel, Inc.
Silicon Laboratories
Silicon Metrics Corporation
SmartPrice.com, Inc.
Supportkids.com
Surgient Networks
Symtx
TManage
Talenthill.com
TANTAU Software/724 Solutions
Terrace Mountain Systems
Thinkwell.com
Times N Systems, Inc.
Tonic Software
TriActive
Wavefly
Waveset Technologies, Inc.
Zilliant, Inc.

Spotlight on TANTAU Software/724 Solutions

On January 17, 724 Solutions, Inc. acquired AEF member TANTAU Software, thus triggering the sixth liquidity event in the Foundation's short history. Because 724 Solutions stock is publicly traded, the newly merged company finds itself with more than $150,000 in its donor-advised fund to distribute to the charities of its choice. All a result of donating 25,000 options to purchase shares worth a mere $2,500 at the time of the grant in December 1999! The company is still determining their alternatives for community funding. What a wonderful problem to face! Congratulations to everyone at 724 Solutions!

"Serving children is the most important and gratifying thing I do. Quite simply, they are our future teachers, programmers, and civic leaders. It's more like an investment in the future."

Bryan Menell, President & CEO, Knowledge Beam
YMBL Austin Sunshine Camps

Members at Work

- Motive Communications had a toy and gift drive for the Faith Home for Christmas. They raised almost $400 in cash and delivered 150 toys.
- Twenty-five Dazel employees worked the phones at KLRU on Monday, March 12, 2001, answering calls from people pledging support for our public television station.
- BroadJump organized its corporate community involvement committee and had its own IT department develop a poll for the employees to determine direction for their future giving.
- eLaw, eCustomers, BroadJump and Charitygift all ran first-time workplace giving campaigns this past fall with United Way.



"Texas" comes from the Hasinai Indian word "tejas"... which means friends or allies.

A Texas-Size Celebration

March 2, 1836: The Texas Declaration of Independence was signed.

March 6, 1836: 189 Texans, under Col. William B. Travis, were overwhelmed by over 2000 troops of the Mexican army at the Battle of the Alamo. All 189 Texans died defending the Republic of Texas... 1600 Mexican troops died trying to take it.

April 21, 1836: Sam Houston and the remaining 750 Texas troops launched a strategic attack on General Santa Anna's army of 1500; within hours, the battle of San Jacinto – the battle for Texas— was finally won.

March 2, 2001: Nearly 200 Austin Heroes and Allies — past and future — gathered at the Stephen F. Austin to celebrate our 'new patriotism' ...the second annual Austin Interdependence Day. Amidst flags and speeches, the highlight of the evening came when over 40 executives from AEF member companies, our AEF "Class of 2000," were captured for posterity in a photograph with a 6' cake, adorned with the logos of every member company.

Rules & Tools of Engagement: Getting Employees Involved

Stop and look around you. What makes the employees that work at your company such incredible assets to your mission? Why did you hire and retain these people? Could some of their characteristics include any or all of the following?

Passionate
Creative
Results-oriented
Visionary
Team Workers
See opportunities in problems
'Can Do' Spirit
Competent (not just willing)
Question the status quo
Appreciate sense of urgency
Adapt to change
Flexible skill set
Looking for balance
Spontaneous/Energetic
'Changing the World'

Individually and collectively, these qualities not only epitomize good employees, they typify the ideal candidates for volunteerism! Couple this quirk with the hard-core stats of a Boston College study that showed 84% of employees feel that a company's image in the community is important, and that employees involved in their company's community activities are 30% more likely to continue working for them, and you've got a loaded question: Why aren't more companies facilitating volunteer activities at the work place?

No one understands the constraints of today's performance pressures more than those working with start-up and emerging technology companies. If armed with some tools, and tempered with some rules, community involvement activities can contribute to your team's productivity, rather than diminish it. So we solicited input from some of the most experienced 'engagement officers' in town. Here is their advice:

Tap the Energy! Employee-Friendly Community Support

By Alison Raffalovich, AVP Corporate Communications, TriActive

Most people like the good feeling and sense of team accomplishment that goes with helping others. But for many, it's a big and baffling step from writing the occasional charitable check to personal volunteer involvement.

One of the things I enjoy most is the rush of warm enthusiasm from coworkers that inevitably follows when I help get volunteer activities going. Knowing that all the interest, energy and talent are out there, how can you successfully tap into it within your company?

1. Find out what community organizations people are interested in. This can be as informal as a quick e-mail with a few suggestions to start the dialogue, or as organized as a survey soliciting write-in suggestions followed by a ranking and a vote. If employees know that company-organized charitable activities reflect their coworkers' interests and passions, they're much more likely to get involved. This applies both to the nature of the organizations you support and the nature of the events—e.g., a fun run versus 'adopting' needy families.

2. Maybe you can use company facilities for planning and conducting events.

3. Give lots of acknowledgement for the people who organize team activities, who participate, and who benefit. The more personal you can make each event, the more connected everyone feels and the more they get out of participation.

Most of all, have fun! Getting a group together to have fun while giving a hand up to someone else is an addictive pleasure. Why not share it with coworkers?

Science vs. Art: Community Relations

By Cybele Diamandopolous, Director of Public Relations, Waveset Technologies

Life is complicated. Today, more than ever before, it seems we walk a tightrope between the obligations of work and home, family and friends, workouts and time-outs. So how do companies squeeze out another ounce of time and talent from employees' daily lives? The answer is partly science, partly art.

First, the science. A successful community relations program is based on a solid understanding of your company's culture and professional priorities: Does your company prefer to support stable, well-established organizations or take a chance on others that are lesser known, but perhaps more cutting-edge? Are corporate initiatives driven by a few executives at the top, or many employees throughout the organization? Is the goal to build big, bold brand awareness, or establish a meaningful reservoir of goodwill? Is it both? On the basis of these and a few other easily posed questions, you can begin to build a community relations strategy that will elicit "jump-in-with-both-feet" enthusiasm across your entire organization.

Simple measurement tools also provide an effective means for quantifying your likelihood for success: survey employees'

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is the highest form of
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– Max DePree

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The purpose of life is to love and learn. I love this community, and by serving it, I contribute to its welfare and growth, making it a better place to live for all of us. There are many of us in Austin who feel the same. The highest benefit of serving together is the synergy that evolves from our combined and cooperative efforts. I truly believe that giving of oneself, personal service, is the most precious gift. It humanizes us and connects us to our community. Giving of oneself creates and deepens relationships with others, giving us greater opportunities to love and to learn.

Ed Perry, Venture Fellow, AV Labsformer CEO Human Code

Habitat for Humanity, Pediatric AIDS League, Chamber of Commerce, Austin Community College, World Moo Duk Kwan, Austin Community Access Center

I wondered why somebody didn't do something...

...then I realized, I am somebody.